

MT LEGISLATIVE HISTORY

Chapter 30 1967

Bill H _____ S 90

Original bill & hist. ____C

H. Committee on Jud.

S. Committee on Barling & Sns.

Hearing Date(s) _____ C

Hearing Date(s) 7/20 ____C

7/4 ____C

____C

7/5 ____C

____C

____C

____C

Date Out _____ C

____C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____

Report _____

BILL NO.	ENTERED COMM.	OUT OF COMM.	DO PASS	DO NOT PASS	DO PASS AS AMENDED	BE CON- CURRED IN	BE NOT CON- CURRED IN
SB 43	1-16-67	1-16-67			✓		
SB 90	1-20-67	1-20-67	✓				
SB 91	1-20-67	1-20-67	✓				
HB 45	1-20-67	1-20-67				✓	
SB 122	1-25-67	1-25-67		✓			
SB 148	1-25-67	1-25-67	✓				
SB 150	1-27-67		✓				
SB 178	1-25-67	1-25-67	Sent to Judiciary				
SB 189	1-27-67	1-27-67					
SB 233	1-27-67	1-27-67	✓			✓	
HB 46	1-27-67	1-27-67					
HE 61	2-1-67	2-1-67				✓	
HR 35	2-1-67	2-1-67				✓	
HB 432	2-3-67	2-3-67				✓	
HB 429	2-3-67	2-3-67				✓	
HB 428	2-3-67	2-3-67				✓	
SB 46	2-3-67	2-3-67		✓			
HB 194	2-15-67	2-15-67				✓	

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SENATE COMMITTEE

on

BANKING AND INSURANCE

January 20, 1967

The second meeting of the Committee on Banking and Insurance was held in Room 404, at recess, Friday - January 20, 1967. The meeting was called to order by Chairman DeWolfe. Roll was called with a quorum present.

Senator Sample requested an extension of time on S.B. 46 in the sub-committee.

S.B. 91 - Proponents of the bill were as follows: John Risken, Attorney, American Insurance Assn.; C. G. Barlos, Montana Association of Insurance Agents; Albert Erickson, Montana Automobile Association; Chadwick H. Smith, American Mutual Insurance Alliance. These proponents each spoke briefly explaining the intent of the bill. They explained that insurance companies would be compelled to show on their policies that this added coverage was available to their clients. This additional coverage, however, is at the option of the policyholder.

S.B. 90 - Proponents of the bill were as follows: John Risken, Attorney, American Insurance Association; C. G. Barlos, Montana Association of Insurance Agents; Albert Erickson, Montana Automobile Association; Chadwick H. Smith, American Mutual Insurance Alliance; Don Burns, Montana Association of Insurance Agents, Inc.

Senator Moritz spoke as a proponent for both S.B. 90 and 91. Senator DeWolfe then excused all the proponents. Senator Mathers moved that S.B. 91 Do Pass. Hafferman seconded the motion. The motion carried.

Senator Mathers moved that S.B. 90 Do Pass. Hafferman seconded the motion. The motion carried.

H.B. 45 - Sample spoke briefly about the bill. Hafferman moved that H.B. 45 Be Concurred In. Mathers seconded and the motion carried. Sample was appointed to carry H.B. 45 on the floor.

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McDonald moved that the meeting be adjourned. The motion was seconded and carried.


Percy DeWolfe, Chairman

- ☐ DO PASS
- ☐ DO NOT PASS
- ☐ BE CONCURRED IN
- ☐ BE NOT CONCURRED IN
- ☐ BE ADOPTED
- ☐ BE NOT ADOPTED

STANDING COMMITTEE REPORT

January 20, 19 67

MR. PRESIDENT:

We, your committee on BANKING AND INSURANCE

having had under consideration SENATE Bill No. 90

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTIONS 53-418, 53-422, 53-432, AND 53-436, R.C.M., 1947, RELATING TO MOTOR VEHICLE LIABILITY INSURANCE INCREASING MINIMUM PROOF OF FINANCIAL RESPONSIBILITY FROM FIVE THOUSAND DOLLARS (\$5,000) BECAUSE OF BODILY INJURY TO OR DEATH OF ONE PERSON IN ANY ONE ACCIDENT TO TEN THOUSAND DOLLARS (\$10,000); INCREASING FROM TEN THOUSAND DOLLARS (\$10,000) BECAUSE OF BODILY INJURY TO OR DEATH OF TWO OR MORE PERSONS IN ANY ONE ACCIDENT TO TWENTY THOUSAND DOLLARS (\$20,000); INCREASING FROM ONE THOUSAND DOLLARS (\$1,000) BECAUSE OF INJURY TO OR DESTRUCTION OF PROPERTY OF OTHERS IN ANY ONE ACCIDENT TO FIVE THOUSAND DOLLARS (\$5,000)."

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Respectfully report as follows: That SENATE Bill No. 90

DO PASS

40th Legislative Assembly

Bill No.	Subject Matter	Date In.	Hearing Date	Comments	Date Out	Committee Action	Final Action
SB 16 Brownfield Moritz	Require assignees of monies due from state of Mont. to file written notice of assign.	1-27	2-8		2-9	BE CON- CURRED IN	SIGNED BY GOVERNOR
SB 66 Turnage	Relating to Loggers' liens	1-27	2-14		2-15	BE CON- CURRED IN	SIGNED BY GOVERNOR
SB 90 Moritz, Schotte	relating to motor vehicle liability insurance increasing minimum proof of financial responsibility	1-27	2-4		2-5	BE CON- CURRED IN	SIGNED BY GOVERNOR
SB 91 Moritz, Schotte	Auto liability insurance policies; to contain uninsured motorist provision	1-27	2-4		2-5	BE CON- CURRED IN	SIGNED BY GOVERNOR
SB 98 Dsivi, Hibbs	Repealing section 48-151 relating to waiting period after divorce	1-27	2-14		2-15	BE CON- curred in	SIGNED BY GOVERNOR
SB 71 Hafferman, Rasmussen, Moritz	prohibiting cancellation of insurance policies without 30 days notice	1-30	2-17		2-18	BE NOT CON- CURRED IN	KILLED BY SENATE
SB 83 Dsivi	permitting destruction of records held in custodial or fiduciary capacity if durable copies kept	1-30	2-15		2-16	BE NOT CONCURRED IN	KILLED BY SENATE

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JUDICIARY COMMITTEE

February 4, 1967

The House Judiciary Committee met upon adjournment Saturday, February 4, 1967. Chairman Mather presided. All members were present except Harrison, Goan, and Stimatz.

Senator Moritz, as chief sponsor, discussed SBs 90 and 91, which pertain to automobile liability insurance policies. Appearing as proponents were:

Don Burns, Montana Assn. of Insurance Agents
John Risken, American Insurance Assn., also
speaking for Chad Smith, who
represents American Mutual
Insurance Alliance

Rep. Christiansen, chief sponsor, spoke regarding HB 311 and requested that it be killed in committee in view of the above SBs 90 and 91.

COMMITTEE ACTION WAS AS FOLLOWS:

Warfield made a motion that HB 311 DO NOT PASS. Motion carried.

Hemstad made a motion that SB 90 DO PASS. Motion carried.

The committee recommended that HB 405, which was brought back to the committee from the House, be returned without recommendation.

McCulloch moved that HB 305 DO NOT PASS. Motion carried.

Jensen made a motion that SB 91 DO PASS. Motion carried.

There being no further business, the meeting was adjourned.



W. S. MATHER, CHAIRMAN

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mony, under oath, of individuals concerning its affairs, and conclusions and recommendations as warranted by such facts.

Penalty for
destroying records.

(3) *Any director, officer, agent or employee of any company who destroys any books, records or documents required to be kept by law for the purpose of hindering any examination in violation of the requirements of this section shall be punished by a fine of not more than one thousand dollars (\$1,000), and, after a hearing thereon for that purpose, the commissioner may revoke the certificate of authority of such company.*

Copy of report
furnished.

(4) The commissioner shall furnish a copy of the proposed report to the person examined not less than twenty (20) days prior to filing the same in his office. If such person so requests in writing within such twenty-day period, the commissioner shall grant a hearing with respect to the report, and shall not so file the report until after the hearing and after such modifications, if any, have been made therein as the commissioner deems proper.

Verified report
evidence of
facts stated.

(5) The report when so verified and filed shall be presumptive evidence, in any action or proceeding brought by the commissioner against the person examined, or against its officers or agents, of the facts stated therein. The commissioner and his examiners may at any time testify and offer other proper evidence as to information secured during the course of an examination, whether or not a written report of the examination has at that time been either made, served, or filed in the commissioner's office.

Withholding
of report
from public.

(6) The commissioner may withhold from public inspection any examination or investigation report for so long as he deems such withholding to be necessary for the protection of the person examined against unwarranted injury or to be in the public interest.

Publishing report.

(7) If he deems such to be in the public interest the commissioner may publish any such examination report or a summary thereof in one or more newspapers in the state."

Approved: February 10, 1967.

CHAPTER 29

An Act to Amend Section 40-3506, R.C.M. 1947, Relating to False Financial Statements; Adding Provisions for a Penalty and Confinement for Aiding and Abetting the Filing of False Financial Statements of Insurance Companies.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. That section 40-3506, R.C.M. 1947, be amended to read as follows: Amending clause.

"40-3506. **False financial statements.** (1) No person shall file with any supervisory or other public official, or make, publish, disseminate, circulate or deliver to any person, or place before the public, or cause directly or indirectly, to be made, published, disseminated, circulated, delivered to any person, or placed before the public, any false statement of financial condition of an insurer with intent to deceive. False financial statements.

(2) No person shall make any false entry in any book, report or statement of any insurer with intent to deceive any agent or examiner lawfully appointed to examine into its condition or into any of its affairs, or any public official to whom such insurer is required by law to report, or who has authority by law to examine into its condition or into any of its affairs, or, with like intent, willfully omit to make a true entry of any material fact pertaining to the business of such insurer in any book, report or statement of such insurer, *and any person who aids or abets in any such violation of this section shall be punishable, upon conviction, by a fine of one thousand dollars (\$1,000) or by imprisonment in the county jail for six (6) months, or both such fine and imprisonment."* False entry in records.

Penalty
for violation.

Approved: February 10, 1967.

CHAPTER 30

An Act Amending Sections 53-418, 53-422, 53-432, and 53-438, R.C.M., 1947, Relating to Motor Vehicle Liability Insurance Increasing Minimum Proof of Financial Responsibility From Five Thousand Dollars (\$5,000) Because of Bodily Injury to or Death of One

Person in Any One Accident to Ten Thousand Dollars (\$10,000); Increasing From Ten Thousand Dollars (\$10,000) Because of Bodily Injury to or Death of Two or More Persons in Any One Accident to Twenty Thousand Dollars (\$20,000); Increasing From One Thousand Dollars (\$1,000) Because of Injury to or Destruction of Property of Others in Any One Accident to Five Thousand Dollars (\$5,000).

Be it enacted by the Legislative Assembly of the State of Montana:

Amending clause. Section 1. Section 53-418, R.C.M., 1947, is amended to read as follows:

Definitions. "53-418. **Definitions.** The following words and phrases, when used in this act shall, for the purposes of this act, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

"Supervisor." 1. "Supervisor"—The highway patrol supervisor and his executive assistant.

"Board." 2. "Board"—The Montana highway patrol board.

"Registrar." 3. "Registrar"—The registrar of motor vehicles of this state.

"Judgment." 4. "Judgment"—Any judgment that shall have become final by expiration without appeal of the time within which an appeal might have been perfected, or by final affirmation on appeal, rendered by a court of competent jurisdiction of any state or of the United States, upon a cause of action arising out of the ownership, maintenance or use of any motor vehicle, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to or destruction of property, including the loss of use thereof, or upon a cause of action on an agreement of settlement for such damages.

"License." 5. "License"—Any license, temporary instruction permit or temporary license issued under the laws of this state pertaining to the licensing of persons to operate motor vehicles.

"Motor vehicle." 6. "Motor vehicle"—Every self-propelled vehicle which is designed for use upon a highway, including trailers and semitrailers designed for use with such

vehicles (except traction engines, road rollers, farm tractors, tractor cranes, power shovels, and well driller) and every vehicle which is propelled by electric power obtained from overhead wires but not operated upon rails.

7. "Nonresident"—Every person who is not a resident of this state. "Nonresident."

8. "Nonresident's operating privilege"—The privilege conferred upon a nonresident by the laws of this state pertaining to the operation by him of a motor vehicle, or the use of a motor vehicle owned by him, in this state. "Nonresident's operating privilege."

9. "Operator"—Every person who is in actual physical control of a motor vehicle. "Operator."

10. "Owner"—A person who holds the legal title of a motor vehicle, or in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof, with the right of purchase upon performance of the conditions stated in the agreement, and with an immediate right of possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee or lessee or mortgagor shall be deemed the owner for the purposes of this act. "Owner."

11. "Person"—Every natural person, firm, copartnership, association or corporation. "Person."

12. "Proof of financial responsibility"—Proof of ability to respond in damages for liability, on account of accidents occurring subsequent to the effective date of said proof, arising out of the ownership, maintenance or use of a motor vehicle, in the amount of *ten thousand dollars (\$10,000)* because of bodily injury to or death of one person in any one accident, and, subject to said limit for one person, in the amount of *twenty thousand dollars (\$20,000)* because of bodily injury to or death of two or more persons in any one accident, and in the amount of *five thousand dollars (\$5,000)* because of injury to or destruction of property of others in any one accident. "Proof of financial responsibility."
Ten thousand dollars.
Twenty thousand dollars.
Five thousand dollars.

13. "Registration"—Registration certificate or certificates and registration plates issued under the laws of this state pertaining to the registration of motor vehicles. "Registration."

14. "State"—Any state, territory or possession of the "State."

United States, the District of Columbia, or any province of the Dominion of Canada."

Amending clause. Section 2. 53-422, R.C.M., 1947, is amended to read as follows:

Determination of security required.

"53-422. **Determination of security required—suspension of license and registration—exceptions—liability insurance.** (a) If within twenty (20) days after the receipt of a report of a motor vehicle accident within this state which has resulted in bodily injury or death, or damage to the property of any one person in excess of one hundred dollars (\$100.00), the supervisor does not have on file evidence satisfactory to him that the person who would otherwise be required to file security under subsection (b) of this section has been released from liability, or has been finally adjudicated not to be liable, or has executed a duly acknowledged written agreement providing for the payment of an agreed amount in installments with respect to all claims for injuries or damages resulting from the accident, the supervisor shall determine the amount of security which shall be sufficient in his judgment to satisfy any judgment or judgments for damages resulting from such accident as may be recovered against each operator or owner.

Suspension of license and registration.

(b) The supervisor shall, within sixty (60) days after the receipt of such report of a motor vehicle accident, suspend the license of each operator and the registrar, upon request of the supervisor, shall suspend all registrations of each and every owner or co-owner of a motor vehicle, which is in any manner involved in such accident, except those registrations of co-owned vehicles not involved in such accident and if such operator is a non-resident the privilege of operating a motor vehicle within this state, and if such owner is a nonresident the privilege of the use within this state of any motor vehicle owned by him, unless such operator or owner or both shall deposit security in the sum so determined by the supervisor; provided notice of the suspension of such registration or registrations shall be sent by the registrar to such operator and owner not less than ten (10) days prior to the effective date of such suspension and such notice shall state the amount required by the supervisor as security. Where erroneous information is given the supervisor with respect to the matters set forth in subdivisions 1, 2 or 3 of subsection (c) of this section, he shall take

appropriate action as hereinbefore provided, within sixty (60) days after the receipt by him of correct information with respect to said matters.

(c) This section shall not apply under the conditions stated in section 53-423, nor:

Exceptions—liability insurance.

1. to such operator or owner if such owner had in effect at the time of such accident an automobile liability policy with respect to the motor vehicle involved in such accident;

2. to such operator, if not the owner of such motor vehicle, if there was in effect at the time of such accident an automobile liability policy or bond with respect to his operation of motor vehicles not owned by him;

3. to such operator or owner if the liability of such operator or owner for damages resulting from such accident is, in the judgment of the supervisor, covered by any other form of liability insurance policy or bond; nor

4. to any person qualifying as a self-insurer under section 53-451, or to any person operating a motor vehicle for such self-insurer.

No such policy or bond shall be effective under this section unless issued by an insurance company or surety company authorized to do business in this state, except that if such motor vehicle was not registered in this state, or was a motor vehicle which was registered elsewhere than in this state at the effective date of the policy or bond, or the most recent renewal thereof, such policy or bond shall not be effective under this section unless the insurance company or surety company if not authorized to do business in this state shall execute a power of attorney authorizing the supervisor to accept service on its behalf of notice or process in any action upon such policy or bond arising out of such accident; provided, however, every such policy or bond is subject, if the accident has resulted in bodily injury or death, to a limit, exclusive of interest and costs, of not less than *ten thousand dollars* (\$10,000) because of bodily injury to or death of one person in any one accident and, subject to said limit for one person, to a limit of not less than *twenty thousand dollars* (\$20,000) because of bodily injury to or death of two or more persons in any one accident, and, if the accident has resulted in injury to or

Qualification of policy.

Ten thousand dollars.

Twenty thousand dollars.

destruction of property, to a limit of not less than *five thousand dollars* (\$5,000) because of injury to or destruction of property of others in any one accident."

Five thousand dollars.

Amending clause.

Section 3. Section 53-432, R.C.M., 1947, is amended to read as follows:

Satisfaction of judgments.

"53-432. **Satisfaction of judgments.** Judgments herein referred to shall, for the purposes of this act only, be deemed satisfied:

1. when *ten thousand dollars* (\$10,000) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury to or death of one person as the result of any one accident; or

Ten thousand dollars.

Twenty thousand dollars.

2. when, subject to such limit of *ten thousand dollars* (\$10,000) because of bodily injury to or death of one person, the sum of *twenty thousand dollars* (\$20,000) has been credited upon any judgment or judgments rendered in excess of that amount because of bodily injury or death of two or more persons as the result of any one accident; or

Five thousand dollars.

3. when *five thousand dollars* (\$5,000) has been credited upon any judgment or judgments rendered in excess of that amount because of injury to or destruction of property of others as a result of any one accident;

Payments to be credited.

Provided, however, payments made in settlement of any claims because of bodily injury, death or property damage arising from a motor vehicle accident shall be credited in reduction of the amounts provided for in this section."

Amending clause.

Section 4. Section 53-438, R.C.M. 1947, is amended to read as follows:

"Motor vehicle liability policy."

"53-438. **Motor vehicle liability policy defined.** (a) A "motor vehicle liability policy" as said term is used in this act shall mean an owner's or operator's policy of liability insurance, certified as provided in section 53-436 or section 53-437 as proof of financial responsibility and issued, except as otherwise provided in section 53-437, by an insurance carrier duly authorized to transact business in this state, to or for the benefit of the person named therein as insured.

Policy to designate.

(b) Such owner's policy of liability insurance: 1. shall designate by explicit description or by appropriate

reference all motor vehicles with respect to which coverage is thereby to be granted; and 2. shall insure the person named therein and any other person, as insured, using any such motor vehicle or motor vehicles with the express or implied permission of such named insured, against loss from the liability imposed by law for damages arising out of the ownership, maintenance or use of such motor vehicle or motor vehicles within the United States of America or the Dominion of Canada, subject to limits exclusive of interest and costs, with respect to each such motor vehicle, as follows: *ten thousand dollars* (\$10,000) because of bodily injury to or death of one person in any one accident and subject to said limit for one person, *twenty thousand dollars* (\$20,000) because of bodily injury to or death of two or more persons in any one accident, and *five thousand dollars* (\$5,000) because of injury to or destruction of property of others in any one accident.

Policy to insure.

Ten thousand dollars.

Twenty thousand dollars.

Five thousand dollars.

Non-owned vehicle.

(c) Such operator's policy of liability insurance shall insure the person named as insured therein against loss from the liability imposed upon him by law for damages arising out of the use by him of any motor vehicle not owned by him, within the same territorial limits and subject to the same limits of liability as are set forth above with respect to an owner's policy of liability insurance.

Policy to state.

(d) Such motor vehicle liability policy shall state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period and the limits of liability, and shall contain an agreement or be endorsed that insurance is provided thereunder in accordance with the coverage defined in this act as respects bodily injury and death or property damage, or both, and is subject to all the provisions of this act.

(e) Such motor vehicle liability policy need not insure any liability under any workmen's compensation law nor any liability on account of bodily injury to or death of an employee of the insured while engaged in the employment, other than domestic, of the insured, or while engaged in the operation, maintenance or repair of any such motor vehicle nor any liability for damage to property owned by, rented to, in charge of or transported by the insured.

Policy may exclude.

(f) Every motor vehicle liability policy shall be subject to the following provisions which need not be con-

Provisions not required.

tained therein: 1. the liability of the insurance carrier with respect to the insurance required by this act shall become absolute whenever injury or damage covered by said motor vehicle liability policy occurs; said policy may not be canceled or annulled as to such liability by any agreement between the insurance carrier and the insured after the occurrence of the injury or damage; no statement made by the insured or on his behalf and no violation of said policy shall defeat or void said policy;

2. the satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage;

3. the insurance carrier shall have the right to settle any claim covered by the policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability specified in subdivision 2 of subsection (b) of this section;

4. the policy, the written application therefor, if any, and any rider or endorsement which does not conflict with the provisions of the act shall constitute the entire contract between the parties.

Excess coverage.

(g) Any policy which grants the coverage required for a motor vehicle liability policy may also grant any lawful coverage in excess of or in addition to the coverage specified for a motor vehicle liability policy and such excess or additional coverage shall not be subject to the provisions of this act. With respect to a policy which grants such excess or additional coverage the term "motor vehicle liability policy" shall apply only to that part of the coverage which is required by this section.

Reimbursement of carrier.

(h) Any motor vehicle liability policy may provide that the insured shall reimburse the insurance carrier for any payment the insurance carrier would not have been obligated to make under the terms of the policy except for the provisions of this act.

Prorating of insurance.

(i) Any motor vehicle liability policy may provide for the prorating of the insurance thereunder with other valid and collectible insurance.

Multiple policies

(j) The requirements for a motor vehicle liability policy may be fulfilled by the policies of one or more

insurance carriers which policies together meet such requirements.

(k) Any binder issued pending the issuance of a motor vehicle liability policy shall be deemed to fulfill the requirements for such a policy." Binder to meet requirements.

Approved: February 11, 1967.

CHAPTER 31

An Act Relating to Automobile Liability Insurance Policies; Requiring Such Policies to Contain Uninsured Motorist Provision; Permitting Rejection of Such Coverage at the Option of the Insured; Providing for an Effective Date.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. No automobile liability or motor vehicle liability policy insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance, or use of a motor vehicle, shall be delivered or issued for delivery in this state, with respect to any motor vehicle registered or principally garaged in this state, unless coverage is provided therein or supplemental thereto, in limits for bodily injury or death set forth in section 53-422, under provisions filed with and approved by the insurance commissioner, for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness or disease, including death, resulting therefrom; provided, that the named insured shall have the right to reject such coverage; and, provided further, that unless the named insured requests such coverage in writing, such coverage need not be provided in or supplemental to a renewal policy where the named insured had rejected the coverage in connection with the policy previously issued to him by the same insurer.

Motor vehicle liability policies to contain uninsured motorist provision.

Section 2. This act is effective January 1, 1968.

Effective date.

Approved: February 11, 1967.